



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

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Memorandum

To: Kristen J. Sarri
Principal Deputy Assistant Secretary for Policy, Management and Budget

Lawrence S. Roberts
Acting Assistant Secretary for Indian Affairs

Janice Schneider
Assistant Secretary for Land and Minerals Management

From: Amy Billings *Amy R Billings*
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Subject: Verification Review – Recommendations for the Report, “Department of the Interior’s Management of Land Boundaries” (C-IN-MOA-0001-2009)
Report No. 2016-CR-017

The Office of Inspector General (OIG) completed a verification review of the nine recommendations presented in the subject report. Our objective was to determine whether the Bureau of Land Management (BLM) and the Bureau of Indian Affairs (BIA) implemented the recommendations as reported to the Office of Financial Management (PFM). PFM reported to OIG that it closed the recommendations. We concur that all of the recommendations have been resolved and implemented.

Background

Our report, “Department of the Interior's Management of Land Boundaries,” dated July 16, 2010, made nine recommendations designed to help BLM identify and perform surveys on high risk lands to generate additional revenue for the Department of the Interior (Department) and Indian tribes.

BLM concurred with report Recommendations 1 through 4 and 6 through 8 in a memorandum dated April 2, 2010, and detailed its plans to implement them. It did not concur with Recommendation 5 but proposed alternative language to close this recommendation. BIA concurred with Recommendation 9 in a memorandum dated May 3, 2010, and detailed its plans for implementation. In our final memorandum to the Assistant Secretary for Policy, Management and Budget (PMB) dated September 29, 2010, we considered all nine recommendations resolved but not implemented and referred them to PMB to track their implementation.

Scope and Methodology

The scope of this review was limited to determining whether BLM and BIA implemented the recommendations we reported. To accomplish our objective, we conducted field work by reviewing documentation submitted by BLM and PFM. We did not perform internal control testing or make site visits to determine whether the underlying deficiencies that were initially identified had been corrected. As a result, this review was not conducted in accordance with Generally Accepted Government Auditing Standards, issued by the Comptroller General of the United States, or Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency.

Results of Review

Our current review found that the Department implemented all nine recommendations.

Recommendation 1: Develop and implement a plan to identify, prioritize, and conduct surveys on those lands, both Federal and Indian, with the highest risk boundaries. This plan should include, at a minimum—

- a. the use of standardized, high-risk, boundary attributes such as those identified in BLM's current project on risk identification; and
- b. how high-value issues identified while performing surveys will be resolved.

Action Taken: BLM issued Instruction Memorandums (IMs) No. 2011-066 in March 2011 and No. 2011-091 in August 2011. The first IM created BLM-wide guidance for identifying high-risk lands and nominating high-risk lands for prioritization. The plan called for State officials to identify significant resources on Department-managed lands that are at risk due to antiquated surveys. Once these lands were identified, the IM required State officers to complete the "nomination questionnaire," a standardized form that captures the lands' quantified values in order to prioritize the lands for possible survey. A panel representing a cross section of disciplines and BLM directorates would eventually be convened to choose funded projects that have the greatest potential to recover revenues, followed by those resulting in protection of assets. IM No 2011-091 required BLM State offices to update their needs inventory for high-risk lands' survey services.

According to BLM, its boundary plan for high-risk lands was implemented in fiscal year (FY) 2010 and refined in FYs 2011 and 2012. High-risk boundary projects have been funded for surveys. BLM provided an example of a "successful" funded project—a boundary survey for Federal oil and gas leasing in northwestern North Dakota. The survey identified 185 additional acres, and has captured the greatest revenue, an additional \$2.22 million in royalty payments. We found that BLM implemented Recommendation 1.

Recommendation 2: Develop and implement a plan to increase the scope of cost reimbursable cadastral surveys to include evaluating significant boundary risk attributes.

Action Taken: BLM issued IM No. 2012-178 on August 31, 2012. This IM instructs BLM offices to increase the scope of a cadastral survey by defining an expanded survey using three attributes that include evaluating significant boundary risk attributes, such as estimating the potential, subsequent rent. We found that BLM implemented Recommendation 2.

Recommendation 3: Explore with Congress the potential to retain a portion of any revenues recovered as a result of surveys performed. If approved, use the additional funding to cover the cost of performing self-initiated cadastral surveys on lands with high risk boundaries.

Action Taken: BLM created a legislative proposal to set up a special account in which BLM would be able to deposit 50 percent of funds recovered, with penalties, as a result of its survey work on high-risk Federal lands. The proposal would allow BLM to use the additional funding to cover the cost of performing additional, self-initiated cadastral surveys on lands with high risk boundaries. BLM submitted this proposal language to Congress as part of its budget requests in FYs 2013 and 2015. The Office of Management and Budget did not support the proposals, and as a result, the proposals were not included in the President's budget requests to Congress. Although BLM did not succeed in funding the proposals, we found that BLM implemented Recommendation 3.

Recommendation 4: Develop and implement a plan to ensure Cadastral Survey reviews the adequacy of boundary evidence prior to the approval of significant land and resource transactions.

Action Taken: IM No. 2011-122, dated May 24, 2011, included policies and procedures that implement Recommendations 4 and 5. In regard to Recommendation 4, BLM now requires the respective State office's chief cadastral surveyor to review the adequacy of boundary evidence prior to approving significant land and resource transactions. We found that BLM implemented Recommendation 4.

Recommendation 5: Develop and implement a plan to ensure that project managers coordinate with Cadastral Survey on all significant commercial projects to evaluate boundary risks.

Action Taken: IM No. 2011-122 ensures that project managers coordinate with Cadastral Survey on all significant commercial projects that evaluate boundary risks by mandating the review by the respective State office chief cadastral surveyor. We found that BLM implemented Recommendation 5.

Recommendation 6: Require that costs for oversight of significant commercial projects be recovered from the commercial entities.

Action Taken: IM No. 2012-095, dated April 2, 2012, states that as part of the boundary assessment analysis required by IM No. 2011-122, the State offices' chief cadastral surveyor will provide a recommended plan of action that includes a cost estimate to conduct cadastral services. The IM states that all costs associated with performing the boundary risk assessments are

appropriately considered direct costs, and should be incorporated into all cost recovery determinations and agreements. We found that BLM implemented Recommendation 6.

Recommendation 7: Develop and implement a department-wide cadastral survey outreach program to educate end users and promote the range of available services and the potential benefits of those services including the opportunities to maximize—

- a. collection of significant revenues from high value unauthorized use;
- b. protection of Federal lands from environmental and other damages;
- c. identification of accurate land boundaries management of rights-of-way, land withdrawals, land exchanges, and land disposals; and
- d. identification of land features including roads, trails, and hazardous sites.

Action Taken: BLM created a Department-wide outreach program regarding the importance of performing cadastral work on public and Indian lands. The program includes using at least two interagency working groups to create a distance learning training, and a new Departmental Manual chapter on cadastral survey. In addition, the program includes ongoing "person to person outreach efforts" including Department-wide trainings and presentations based on BLM developed materials. We found that BLM implemented Recommendation 7.

Recommendation 8: Expand the procedures for boundary evidence models found in the Departmental Manual chapter "Standards for Indian Trust Lands Boundary Evidence" (303 DM 7.9) to include conducting less costly boundary resolutions or assurances to all bureaus department-wide.

Action Taken: BLM issued a new chapter, 600 DM 5, in the Departmental Manual to address Recommendation 8. This chapter changes land boundaries policy by providing a new standardized, risk-based system—Standards for Boundary Evidence—for identifying and documenting Federal lands' boundary evidence. In the "Purpose" section, BLM states that these new standards "provide Department-wide guidance and instruction to reduce litigation and other costly conflicts over Federal interest assets and minimize unnecessary land surveys." According to BLM, this new system does so by providing "more efficient and cost-effective tools than a land survey to accomplish the transaction in the most efficient and safe manner." This accomplishes the intent of the recommendation to include conducting less costly boundary resolutions. We found that BLM implemented Recommendation 8.

Recommendation 9: The director of BIA should: Establish an agreement with BLM so that BIA and tribal employees receive comparable training to that provided to BLM employees at the National Training Center.

Action Taken: The "Training Assistance Agreement" establishes a new agreement between BIA and BLM that outlines the actions each agency has either taken or will take to provide BIA and tribal employees with comparable training. According to the agreement, BLM, BIA, and the staff at the National Indian Programs Training Center have collaborated on the design of specific land boundary management classes and the development of a Lands and

Realty training program for BIA and tribal employees based on the training offered by BLM's National Training Center. We found that BLM implemented Recommendation 9.

Conclusion

We informed BLM and BIA officials of the results of this review on April 8, 2016.

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